

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of Robert C. Slane)
Application No. 09/453,364) Group Art Unit: 3627
Filed: December 1, 1999) Examiner: Andrew J. Fischer
Title: Establishing and Managing Grantor)
Retained Annuity Trusts Funded By)
Non Qualified Stock Options)

Commissioner for Patents
Washington, D.C. 20231

AMENDMENT UNDER 37 CFR § 1.111**FAX RECEIVED**

Sir:

DEC 10 2002

Please amend this application as set forth below.

In the claims:

Please amend claim 1 as follows:

GROUP 3600**OFFICIAL**

1.(twice amended) A method for minimizing transfer tax liability of a grantor for the transfer of the value of nonqualified stock options to a family member grantee, the stock options having a stated exercise price and a stated period of exercise, the method performed at least in part within a signal processing device and comprising:

establishing a Grantor Retained Annuity Trust (GRAT);

funding said GRAT with assets comprising stock options, the stock options having a determined value at the time the transfer is made;

setting a term for said GRAT and a schedule and amount of annuity payments to be made from said GRAT; and

performing a valuation of the stock options as each annuity payment is made and determining the number of stock options to include in the annuity payment.

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